

Historic, Archive Document

Do not assume content reflects current
scientific knowledge, policies, or practices.

FOREIGN AGRICULTURE

A281.9
-76Fo
Cop, 3

U.S. DEPT. OF AGRICULTURE
NATL. AGRI. LIBRARY
GAINES

1976 12 27F

WEEKLY SECTION
NT SERIAL RECORDS



Traditional spinning method, Morocco

**Saudi Arabia Buys
More U.S. Foods
World Food Prices**

February 9, 1976

Foreign
Agricultural
Service
U. S. DEPARTMENT
OF AGRICULTURE

In this issue:

- 2 **Affluent Saudis Increase Imports of Some U.S. Foods**
By John B. Parker, Jr.
- 5 **Danish Fishmeal Exports Off**
- 6 **Morocco Seeks Larger Export Trade in Textiles**
By Dudley G. Williams
- 8 **Some Broiler Price Declines Noted in World Food Survey**
- 10 **Bulgaria Seeks Western Know-How To Spur Farming**
By Miles J. Lambert
- 13 **Trade Briefs**
- 14 **Bangladesh Grain Crops on Uptrend, But Imports Heavy**
- 16 **United States Imports More Cut Flowers**

This week's cover:

A young worker in the Atlas Mountains of Morocco demonstrates the traditional method of spinning cotton. However, most Moroccan textiles are now processed by modern methods. See article beginning on page 6.

Earl L. Butz, Secretary of Agriculture

Richard E. Bell, Assistant Secretary for International Affairs and Commodity Programs

David L. Hume, Administrator, Foreign Agricultural Service

Editorial Staff:

Kay Owsley Patterson, Editor
Patricia O. MacPherson, Beverly J. Horsley, G. H. Baker, Marcus P. Murphy, Isabel A. Smith, John C. Roney.

Advisory Board:

Richard A. Smith, Chairman; Gordon O. Fraser, William Horbaly, Richard M. Kennedy, J. Don Looper, Larry B. Marton, Arthur Mead, Brice K. Meeker, Jimmy D. Minyard, George S. Shanklin.

The Secretary of Agriculture has determined that publication of this periodical is necessary in the transaction of public business required by law of this Department. Use of funds for printing *Foreign Agriculture* has been approved by the Director, Office of Management and Budget through June 30, 1979. Yearly subscription rate: \$34.35 domestic, \$42.95 foreign; single copies 70 cents. Order from Superintendent of Documents, Government Printing Office, Washington, D.C. 20402. Contents of this magazine may be reprinted freely. Use of commercial and trade names does not imply approval or constitute endorsement by USDA or Foreign Agricultural Service.

Affluent Saudis Increase Imports of Some U.S. Foods

By JOHN B. PARKER, JR.
*Foreign Demand and Competition Division
Economic Research Service*

SUBSTANTIAL gains in U.S. exports of farm products to Saudi Arabia have occurred in recent years as Saudi income has expanded in response to the country's rapidly rising returns from petroleum exports.

The value of U.S. agricultural exports to Saudi Arabia in fiscal 1975 (July-June) was a record \$123.6 million—35 percent greater than in the year-earlier period and almost four times the 1970-72 average.

Sales of U.S. wheat flour and rice are expected to remain strong in fiscal 1976, and the addition of sorghum and certain processed foods could push the value of U.S. agricultural exports to Saudi Arabia above the \$200-million mark.

Some U.S. food shipments in 1975 of wheat flour, vegetable oils, and some processed foods far exceeded the expected volume.

On the other hand, exports of rice and animal feed fell short of anticipated levels in 1974/75 because of port congestion. But U.S. rice sales to the Saudis thus far in fiscal 1976 have been strong, reaching 68,000 tons during July-October 1975.

Sparking Saudi Arabia's growth in food imports is the country's economic boom, which is only beginning to cause marked changes in the diet of about half its people, as income of families in the lower brackets rises.

One of the most conspicuous results of higher income and wider distribution of petroleum wealth has been the tremendous growth in sales of American and European types of bread and bakery products made from imported wheat flour. Also, some small wheat grinding facilities have shifted from serving individual customers to working under contract for bakeries or feed mills.

U.S. exports of wheat flour to Saudi Arabia in fiscal 1975 amounted to 210,000 tons valued at \$54.6 million—almost double the shipments of 113,000 tons valued at \$21.4 million in fiscal 1974.

Total imports of wheat flour by Saudi

Arabia in 1975 probably amounted to about 440,000 tons—nearly double the 1974 volume—with the United States supplying about 70 percent of this volume and the European Community about 20 percent.

Saudi wheat imports are not expected to rise sharply until modern mills are in operation, although Australian wheat deliveries jumped from 37,000 tons in 1973 to 113,000 tons in 1974, and further gains are anticipated when 1975 imports are tallied. Saudi Arabia purchased 15,000 tons of U.S. wheat during July-October 1975, none in 1974, but 35,000 tons in 1973.

New wheat flour mills under construction at Jidda, Riyadh, and Damman are to begin operating in 1978. The mills at Jidda and Damman are expected to use large quantities of imported wheat, and the facility at Riyadh will use substantial quantities of domestic wheat.

Exceptionally heavy spring rains and greater use of fertilizer allowed Saudi Arabia to produce about 200,000 tons of wheat in 1975—almost triple the 71,000 harvested in 1971.

Rice, the second major U.S. farm export to Saudi Arabia, has faced increased competition from Asian suppliers, and higher Saudi incomes have not yet generated striking gains in rice sales as has been the case in Iran and Iraq.

U.S. rice exports to Saudi Arabia declined from 90,857 tons worth \$52.4 million in fiscal 1974 to 78,607 tons valued at \$42.2 million in fiscal 1975, with the average price falling from \$577 to \$537 per ton. While some gains in export value are likely in fiscal 1976, lower prices will make it difficult to make large gains.

In fiscal 1974, Saudi Arabia was the largest U.S. export market for long-grain rice, but in fiscal 1975 it fell to third place, following Iran and Iraq. Rice production in the Hofuf oasis may reach 5,000 tons in calendar 1975, but this volume will account for only 2 per-

cent of the country's supply.

Total Saudi rice imports in calendar 1975 are expected to reach 250,000 tons, surpassing the previous record of 220,000 tons in 1971. The United States and Thailand supplied over 75 percent of Saudi Arabia's rice imports in 1974, and remained in the lead throughout calendar 1975. Pakistan is the third major supplier and leading source of basmati rice.

Reopening of the Suez Canal theoretically allows the United States to export feedgrain to Saudi Arabia again, although no corn shipments have been made since delivery of 7,000 tons in 1972. Even that sale was made because Thailand temporarily had exhausted its exportable supply. Thailand's exports of corn to Saudi Arabia are expected to reach 35,000 tons in 1975—double the 1974 volume.

Saudi Arabia's total corn imports reached 31,744 tons in 1965, but remained below that level during 1966-73. New facilities to prepare poultry feed from imported corn and sorghum will greatly increase the need for imported feedgrain.

During September-November 1975, U.S. exports of sorghum to the new market in Saudi Arabia reached 60,000 tons, but no corn sales were reported. Total imports of sorghum in 1975 apparently exceeded 100,000 tons—double the 1974 level.

The Sudan usually exports more than

30,000 tons of sorghum and millet to Saudi Arabia annually. Ships carry the grain from Port Sudan to Jidda and some smaller ports. Shipments of sorghum to Saudi Arabia in 1975 were probably higher than the 12,000 tons delivered in 1974.

New feed mills now use domestic and imported sorghum to produce chicken feed. Sorghum production in the Tihama floodplain near the Red Sea is expanding and production of sorghum and millet now exceeds 500,000 tons annually.

Saudi Arabia's imports of barley fluctuate widely, depending upon supplies available for export from Iraq, Syria, and some European countries. Total barley imports reached a record 58,347 tons in 1967, when France and Iraq were important suppliers, but they fell to only 8,797 tons in 1968. Barley imports in 1975 are not likely to exceed 25,000 tons.

EXPORTS of animal feed from the United States to Saudi Arabia increased slightly in value during fiscal 1975 to \$3.5 million, and new Saudi poultry operations should result in further gains in U.S. sales of mixed feed and hatching eggs.

Exports of U.S. fruits and preparations to Saudi Arabia reached a record \$2.2 million in fiscal 1975—double the previous value—because of new sales of oranges valued at \$1 million.

Lebanon and Egypt also have in-

creased their shipments of oranges to Saudi Arabia in recent years. Exports of vegetables and preparations continued upward as deliveries to Saudi food stores neared \$3 million value in fiscal 1975.

U.S. exports of vegetable oils to Saudi Arabia were valued at \$9 million in fiscal 1975—more than triple the fiscal 1974 value. Large gains occurred in U.S. sales of corn oil, soybean salad oil, and cottonseed oil.

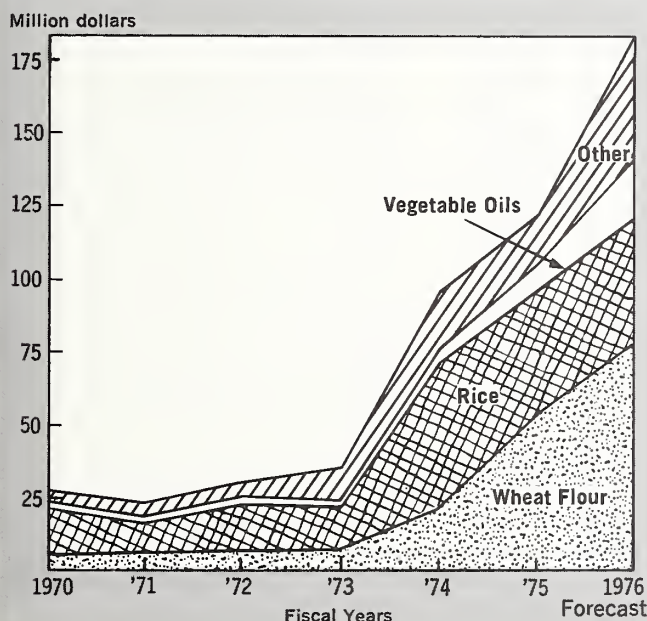
Supermarkets and small grocery stores in Saudi Arabia rely on imports for all their supplies of processed foods. Hundreds of different items are exported to Saudi buyers, often in small lots. Some traders in Beirut buy U.S. products at wholesale and make small deliveries to Saudi Arabia by truck.

Saudi Arabia is one of the 10 major U.S. export markets for a wide assortment of processed foods—particularly tomato juice, peanut preparations, and snack foods.

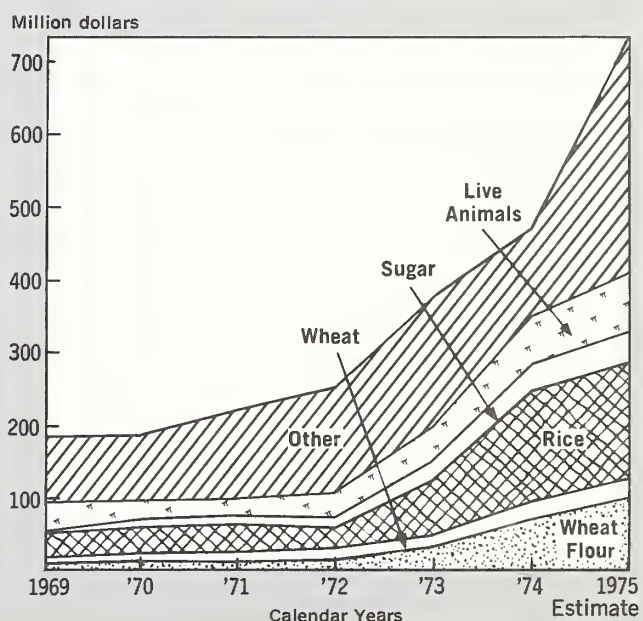
U.S. exports of corn syrup to Saudi Arabia are likely to rise as the demand for sweeteners by soft drink bottlers increases. The United States already sends \$2 million worth of beverage ingredients annually for use by Saudi bottlers. Sales of U.S. fruit juices and soft drinks are booming.

Taiwan, Brazil, and France are important suppliers of sugar and India became a significant new supplier in 1975. Sugar imports now exceed 120,000 tons

U.S. AGRICULTURAL EXPORTS TO SAUDI ARABIA



SAUDI ARABIA: TOTAL AGRICULTURAL IMPORTS



annually, compared with only 31,300 tons in 1963. Large Government purchases of sugar on the international market are likely in the future.

New facilities to process bulk sugar into small packages for consumers are under construction. Supermarkets in Saudi Arabia usually offer packaged sugar and various brands of honey imported from the United States. U.S. exports of honey to Saudi Arabia have increased rapidly and the value in 1975 may reach \$100,000.

Competition for U.S. exports of livestock products to Saudi Arabia is rising because of strong sales efforts by Australia and EC countries. New port and cold-storage facilities allow the Saudis to handle more imported meat.

Saudi imports of frozen poultry in 1974/75 were about 20,000 tons, half of which were supplied by EC countries and 858 tons, valued at \$577,000, by the United States.

DENMARK was the major supplier, and considerable deliveries were made by France, West Germany, the Netherlands, and Belgium, as well as Bulgaria, Hungary, and Lebanon. Exports of U.S. frozen poultry to Saudi Arabia are expected to more than triple in fiscal 1976.

Imports of mutton and live sheep from Australia continue to rise. Imports of beef and canned meat from the European Community are expanding, and are much larger in volume than the small shipments from U.S. firms. U.S. exports of frozen meat to Saudi Arabia totaled about 207 tons in fiscal 1975—about double the fiscal 1974 level.

Smaller imports of sheep and goats from drought-stricken Ethiopia and Somalia caused meat shortages in Saudi Arabia at various times during 1972-74. Australia now has emerged as the major source of live sheep imports—estimated at 1.6 million head in 1975, up from 1.4 million in 1973.

Saudi Arabia's imports of dry milk should reach 12,000 tons in 1975—double the 1972 level. Saudi Arabia is a major market for U.S. exports of canned milk, valued at about \$1 million annually. European sales of butter and cheese to Saudi Arabia are expanding rapidly. U.S. exports of cheese products now exceed \$100,000 in value annually.

The growth of Saudi Arabia's food imports during 1975-80 will be increasingly influenced by such factors as income distribution, urbanization, population growth, immigration, local farm

output, dietary changes, modernization of ports, and storage facilities.

Total Saudi agricultural imports increased from \$186 million in 1970 to

U.S. Ranchers Supply Feedlot Expertise

U.S. feedlot expertise is to play a major part in expansion of Saudi Arabia's cattle and sheep numbers.

A group of Montana ranchers and feedlot operators has signed a contract with the Saudi Ministry of Agriculture and Water to supply personnel, technical information, and equipment for some modern cattle and sheep feedlots in the Hofuf area and near the Red Sea.

The Hofuf oasis area in eastern Saudi Arabia is to be developed first. Water is already available there, and ports for unloading imported grain and oilcake for feed are nearby.

Also, several feedlots are to be established in southwestern Saudi Arabia, where 12 medium-size dams will be used to trap rainfall to provide water for irrigation and livestock.

Feedlot facilities to be built in 1976 and 1977 under the Saudi contract with the Montana group include air-conditioned barns and automated feeding equipment. Construction of push-button feedlot operations on a smaller scale from Taif to Jizan will not include air conditioning because the climate of the Asir highlands is more moderate than that of Eastern Province.

New industrial projects and construction of new ports, housing, and roads in Eastern Province will require the services of about 1 million foreign technicians in 1976. Most of the food requirements for these temporary residents must be imported. Even the most spectacular success of the new feedlot operations in Saudi Arabia would not meet the growing demand for meat there. Imports of live sheep may reach 2 million head in 1976.

The Saudi Government plans to increase the number of cattle on farms and feedlots from the current level of about 300,000 to 600,000 by 1980, and sheep numbers by 50 percent in the same period to about 5 million.

about \$475 million in 1974.

The value in 1975 is expected to reach \$750 million. U.S. agricultural exports to Saudi Arabia increased from \$27.6 million in 1970 to \$110 million in 1974. The U.S. share of Saudi food imports increased from about 15 percent in 1970 to 23 percent in 1974, and in 1975 may reach 25 percent.

Since two-thirds of Saudi Arabia's food supply is imported, growing petroleum wealth should cause spectacular gains in food imports through the late 1970's. Large investments in Saudi agriculture are likely to bring higher output of horticultural crops and livestock.

Saudi Arabia covers an area about the size of United States east of the Mississippi, excluding Florida, but the area of arable cropland is about the size of Delaware. Date trees and vegetables thrive in Saudi Arabia oasis agriculture. Most of the country receives about 4 inches of rainfall annually—enough to provide pastures for livestock during the winter. Seasonal pastures cover more than 200 million acres, mostly in the western areas, where rainfall is more than 8 inches annually.

Agriculture's share of Saudi national income fell from about 15 percent in the early 1960's to only 6 percent in 1973. Its share will soon fall to less than 3 percent because of rising petroleum revenues and urban incomes.

Since agriculture provides a livelihood for almost half the people, Government subsidies for farm inputs and animal feed and various development programs to bolster farm income can be appreciated for their income distribution aspects.

Saudi Arabia's second Five-Year Development Plan (July 1975-May 1980) projects spending some \$140 billion for a variety of types of social and economic infrastructure and for diversifying the economic base by improving agriculture and building industrial plants.

Programs providing payments for each child born have added many new recipients to the list of those receiving checks from Riyadh. A new school lunch program emphasizes high-protein food.

The average Saudi diet in 1975 contained about 2,500 calories per day—up from 2,200 calories in 1972. By 1978, the daily calorie intake is expected to reach 2,800 calories—an increase that will further expand Saudi demand for imported foods.

Danish Fishmeal Exports Off

Danish fishmeal and oil production is expected to be off 10 percent in 1975 from the 285,000 metric tons produced in 1974, of which 248,000 tons were exported. The present outlook is that output and exports may be off again in 1976 and decline further in the longer term.

Mounting difficulties in the Danish fishing industry reached a crisis stage when, on November 6, the Government banned further fishing of North Sea herring until the end of December. The immediate cause of the ban was that the herring quotas set by the Danish Government for the second half of 1975—15,000 tons of table herring and 30,000 for reduction—had been exceeded. To protest the ban—and to underline their demands for Government subsidies and for limitations on landings by foreign boats—the fishermen went on strike. The fishermen also sporadically blockaded landings by foreign boats.

One immediate result of the ban and the strike was a shutdown of the 14 Danish fish reduction plants as of mid-November. While the strike was largely over by mid-December and the plants resumed limited processing, the total catch of fish in 1975 probably will not exceed 1,450,000 tons—compared with 1,571,000 tons in 1974—and fishmeal production also will likely be down.

The long-term outlook is for a continuing decline in Danish fishmeal output and exports. Denmark has been under increasing international pressure to accept international quotas set by the North East Atlantic Fishery Commission (NEAFC), which have been more stringent than the national quotas set by Denmark.

In a London meeting of NEAFC in November, the Danes agreed to a compromise for some international quotas for 1976 (and presumably beyond). The NEAFC herring quota set for Denmark for the first half of 1976 is 28,000 tons, compared to a 54,000-ton herring quota Denmark had set for itself for the second half of 1975. The Danes will also reduce the amount of herring they take as bycatches from 30 percent to 15 percent for the first quarter of 1976 and to 10 percent in the second quarter.

However, Denmark did not accept the international quota proposed by

NEAFC for sprat and no national quota has yet been set; therefore it is assumed their catch next year may about equal last year's.

An additional threat to Danish fishing and fishmeal production is the move by other countries toward extended fishing zones. An extension to 200 miles by Denmark's neighbors would reduce Danish North Sea fishing grounds to a narrow area of poor fishing, which the industry estimates would cut the catches to 25 percent of the 1974 level and to an even lower level for reduction fish. Consequently, the Danes would be eager

to join other European Community countries in any such extension so that they could share in an "EC Sea."

Danish fishing and fishmeal production had expanded rapidly in recent years from the 210,000-ton output of the late 1960's, spurred by the exceptionally high protein prices of the early seventies and Danish tax policies that favor such growth.

Denmark consumed about 30,000 tons of fishmeal in 1974, in addition to the 248,000 tons exported. It is assumed that virtually all of this could be replaced by a protein equivalent amount of oilseed meal, although traditional preferences may have to be overcome for some feed rations.

—Based on report from
*U.S. Agricultural Attaché,
Copenhagen*

Soviet Sugarbeet Harvest Below Target

THE 1975/76 SOVIET sugarbeet crop is now estimated at 65 million metric tons, 17 percent smaller than the 1974/75 crop and substantially less than the 80-million-ton estimate of mid-November and the 85-million-ton August estimate. The official goal was 94 million tons.

Sugarbeet production in the Ukraine apparently dropped 19 percent below that of 1974 to about 39 million tons, compared with the target of 53 million tons. Ukrainian yields, far from reaching the goal of 320 quintals per hectare, were only 220 quintals, down 20 percent from those of the previous year. The 1975 figures were derived from reports of the average annual levels achieved for 1971-75 as reported in *Pravda Ukrainy*.

Historically, the Soviets process an average of about 85 percent of total beet production into refined sugar at an average extraction rate of about 11.5 percent.

To maintain 1976 per capita sugar consumption at the 1974 level of 41 kilograms, the USSR would have to import an unprecedented 4.3 million tons of raw cane sugar (4 million tons, refined basis).

The bulk of Soviet sugar imports generally is supplied by Cuba. The outlook for the 1975/76 Cuban output is for another mediocre crop of about 5.4 million tons, raw basis. Nevertheless, Cuba

should be able to meet most of its leading customer's (USSR's) import requirements—although possibly at the expense of other markets.

There are no confirmed reports of Soviet sugar purchases from non-Cuban sources. USSR sugar imports in calendar 1975 were about 3.51 million tons, raw basis.

The latest Soviet 5-year plan envisages sugarbeet production of 95-98 million tons annually during 1976-80. If realized, this production would amount to at least one-fourth more than the 1971-75 level. The planned annual procurement level is 89.5 million tons.

Despite their continued extensive investment in Cuba's sugar sector, including a reported commitment to pay the equivalent of 30 U.S. cents per pound to Cuba, the Soviets still plan to strive for increased domestic production of sugar.

A harvest of at least 95 million tons of Soviet sugarbeets in 1976 would be a record. The closest production total to that goal was reached in 1968/69, when 94.3 million tons were harvested. However, given normal weather, yield trends indicate that 95 million tons could be a reasonable target.

The USSR investment in Cuba's sugar sector is expected to result in the availability of additional supplies of sugar for export to the Soviet Union.

—LINDA A. BERNSTEIN, ERS

Morocco Seeks Larger Export Trade In Textiles

By DUDLEY G. WILLIAMS
*Foreign Market Development,
Cotton
Foreign Agricultural Service*

MOROCCO's predominantly modern textile industry is continuing to expand—possibly upping demand for U.S. cotton—despite recent marketing setbacks resulting from a decline in domestic purchasing power and depressed international textile markets.

The cotton spinning system in Morocco has increased fivefold since the country declared its political independence 20 years ago, and now has a potential capacity well in excess of domestic textile demand.

Existing spindlage in the modern sector totals about 250,000 units—including 2,000-2,500 open end spindles—and there are about 5,000 operable looms, for an overall investment approaching the equivalent of \$175 million.

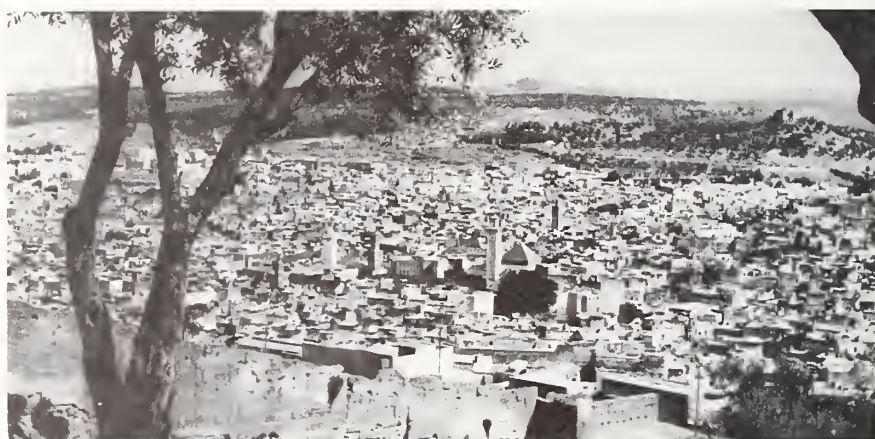
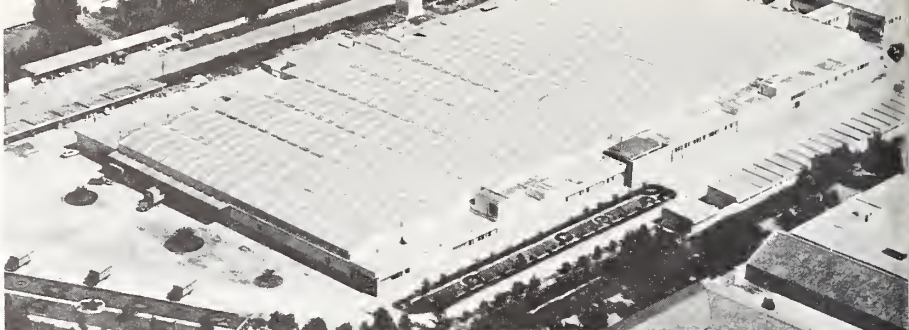
In addition, a 60,000-spindle complex is planned for the Tadla area, where most Moroccan cotton is grown.

The Moroccan Government has assumed a sizable portion of the investment in the textile industry, including the completely Government-owned 50,000-spindle COTEF (Complex Textile de Fes) operation in Fes.

Sizable quantities of textiles are also produced outside the modern sector in traditional village industries. Approximately 45 percent of the existing equipment in the modern sector is based in Fes, where the two largest mills alone account for 90,000 spindles or 35 percent of the total installed in Morocco.

About 35 percent of the country's production capacity is located in Casablanca and its suburbs, and 20 percent is in Tangiers, Kenitra, and Temara. Essentially all equipment in the modern sector is of European origin.

Mr. Williams formerly was U.S. Agricultural Attache in Rabat.



From top: Morocco's COFITEX (Compagnie Marocaine de Filature et de Textiles) textile mill, the country's second largest; Moroccan artisans setting up loom for carpet making; overview of Fes, where about half the operable spindles of the country's modern textile sector are located.

Morocco's cotton spinning system has a production capacity of 45,000-50,000 metric tons of yarn annually. Actual output, however, is closer to 30,000 tons, as equipment is operated at only about 65 percent of capacity.

Currently, 45,000-50,000 bales (500 lb gross) of Upland-type cotton are used annually in conjunction with 25,000-30,000 tons of manmade fibers—i.e., mostly rayon, with smaller quantities of polyester and other noncellulosics.

In the past, only about 3,000 bales of domestically grown long- and extra-long

staple Egyptian-type cotton have been used each year.

Except for the relatively small quantity of domestic cotton, raw materials for the country's cotton spinning industry are imported. Raw cotton imports in 1974/75 (August-July) totaled an estimated 50,000 bales, of which the United States supplied about 21,000 bales or just over 40 percent of the total.

Both the volume and share of U.S. cotton increased in the Moroccan market in 1974/75 from levels of the previous year, but interest has switched to

other growths—mainly Turkish—recently, reflecting current price advantages over U.S. growths.

Longer term prospects indicate increasing competition from other areas, particularly west and central Africa, reflecting increased cotton production in those areas as well as traditional marketing connections between French interests in the Moroccan textile industry and French textile and raw cotton production interests in other French-speaking countries of Africa.

Principal non-U.S. sources of 1974/75 cotton imports were: Turkey, 18,000 bales; Nicaragua, 3,300; Chad, 2,800; and the Ivory Coast, 1,500. Manmade fiber imports are mostly from Europe.

Until recently, textile exports averaged fewer than 300 tons annually, but up to 2,000 tons of textiles to meet demand for finer fabrics have been imported annually.

During the 1960's, the textile industry was one of those emphasized by the Government as being particularly appropriate for the development of the country because of the small initial investment required compared with that needed for heavier industry and because of an adequate and adaptable Moroccan labor force available at rates that would make Moroccan textiles competitive on foreign industrialized markets. Therefore, justification for expanding the industry, including the COTEF complex in Fes, was based on export objectives.

While there has been some increase in Moroccan exports of cotton-type textiles over the past 2 years, exports remain relatively small and the industry is still heavily geared to the largely rural domestic market, which is highly sensitive to economic conditions in the agricultural sector.

The value of textile exports in 1975 was estimated at the equivalent of \$125 million, with yarn and textiles accounting for about one-third and made-up goods and carpets the remainder. The value of total Moroccan textile output in 1975 was in the neighborhood of \$500 million.

It remains to be seen if efforts underway to increase market outlets in Africa and Europe will be successful in the face of keen competition from established textile exporters.

On the negative side, the average salary for Moroccan textile workers ranges

from the equivalent of 50 to 60 U.S. cents an hour plus fringe benefits, which is high in comparison with some of the major Far Eastern textile exporting countries.

Secondly, the status of Algeria, presently and potentially a major outlet for Morocco, is somewhat uncertain because of the unfavorable political climate now existing between Morocco and Algeria over the Spanish Sahara issue.

In any event, the industry will continue to depend on imports for most of its raw material requirements.

Although there is some experimental production of Upland-type varieties, commercial cotton production interest has and will continue to be concentrated on the Egyptian type, most of which was exported in the past.

WHILE THE Tadla spinning complex is designed to use domestically produced cotton for high-count yarns and finer fabrics for export, local production is expected to continue to exceed the industry's requirements for Egyptian-type cotton.

Future cotton-manmade fiber utilization patterns by Moroccan textile manufacturers will probably remain at roughly 35 percent cotton-65 percent manmade fibers. Blending, which may

have been based on economic and supply factors originally, is reportedly practiced to obtain desired end-product characteristics.

The consensus of Moroccan textile manufacturers appears to be that even if supply disadvantages for cotton resulting from Government-imposed import licensing controls (manmade fiber imports are free of controls) were reduced and if fiber price relationships continue to be favorable for cotton, the blending gain for cotton would be minimal at best.

There are no laws governing the labeling of blended textile products, and varying percentages of cotton-manmade blends are manufactured and marketed domestically as cotton.

Assuming that export markets are developed to the extent that would permit full utilization of existing and planned equipment and assuming continuation of the present cotton-manmade fiber-use ratio, annual cotton import needs could increase to 75,000 bales or more.

Chances are good that the United States will maintain a sizable and possibly increasing share of this market. U.S. cotton is widely and favorably known, and U.S. shippers are well represented locally. Thus, Morocco could become a regular commercial outlet for up to 50,000 bales of U.S. cotton each year.

Trade Negotiators Set MTN Group Meetings

The Multilateral Trade Negotiations' Tropical Products Group and the Meat, Dairy Products, and Grain Subgroups have scheduled consultations and meetings in Geneva.

The Tropical Products Group agreed that initial developed-country offers in response to requests on tropical products made by 33 developing countries will be made if possible by March 1.

Bilateral consultations will continue, and the group will meet February 10 to discuss how developed-country offers will be presented.

The Meat Subgroup has begun its examination of trade measures, market structures, and trade practices. Topics include health and sanitary regulations, the U.S. Meat Import Law, and import restrictions of the European Community and Japan. The subgroup is to meet in February to continue these activities.

The Dairy Subgroup devoted its ses-

sion to an examination of the structure and characteristics of world dairy trade and the policies of major trading countries. It also discussed existing international agreements concerning world trade in nonfat dry milk, butterfat products, and powdered whole milk. This analytical work is to be concluded at the subgroup's meeting in February.

The Grain Subgroup continued its discussion of proposals related to trade expansion and liberalization, market stabilization, and problems of developing countries. The U.S. delegation suggested, in essence, that countries formally identify high-priority grain problems that have a direct bearing on their trade interests and suggest solutions to these problems. Based on these notifications, the subgroup would identify and deal with grain problems of priority concern, using bilateral or multilateral procedures, as appropriate.

Some Broiler Price Declines Noted in World Food Survey

DECLINES IN RETAIL poultry prices occurred in five of 15 selected world capitals between November 5 and January 7, reflecting a seasonal slump in broiler demand by consumers.

Broilers and 18 other selected food products were shopped in the capital cities as part of the continuing bimonthly FAS retail food price survey.

Poultry prices were lower on January 7 than on November 5 in Washington, London, Bonn, Rome, and Tokyo. In Washington, broilers were priced at 56

cents per pound on January 7, compared with 67 cents in November, 64 cents in September, and 66 cents in July.

In Brazil, however, where chicken purchases often are a substitute for beef, broiler prices were 11 percent higher in January than in November—an increase largely attributable to rising production costs and narrowing profit margins.

In Australia, the recent \$A15.30-per-ton price increase for wheat on the domestic market had the effect of increasing feed prices 18.3 percent.

Poultry farmers were hit with another cost increase when the Government approved higher wages for poultry farm workers. Egg producers obtained some relief from their higher production costs through higher selling prices. Egg prices in Canberra were higher in January for the first time in a year.

Broiler prices in Canberra were 32 percent higher in January than in November.

In London, both eggs and broilers were priced at lower levels in January than in November. In early January, egg prices were reduced to revive lagging demand and to avoid a seasonal glut that may worsen if mild weather prevails for an extended period.

Although broiler prices also declined in Bonn, Rome, and Tokyo, these re-

SURVEY OF RETAIL FOOD PRICES IN SELECTED WORLD CAPITALS, JANUARY 7, 1976
[In U.S. dollars per lb, converted at current exchange rates]

City	Steak, sirloin, boneless	Roast, chuck, boneless	Pork chops	Ham, canned	Bacon, sliced, pkgd.	Broilers, whole	Eggs, dozen	Butter	Cheese: Edam, Gouda, or Cheddar	Milk, whole, quart	Oil, cooking, quart	Tomatoes
Bonn	4.19	2.83	2.32	(¹)	3.76	0.84	0.82	1.56	1.71	0.42	1.81	0.52
Brasilia	.87	.59	.93	1.79	2.43	.66	.70	1.21	1.34	.21	.90	.19
Brussels	3.75	1.95	1.95	2.40	1.33	.97	1.05	1.61	1.80	.39	1.14	.94
Buenos Aires	.53	.38	.56	(¹)	(¹)	.34	.44	.71	1.11	.13	.85	.20
Canberra	1.67	.80	1.81	2.21	2.65	1.24	1.15	1.10	1.77	.41	1.66	.87
Copenhagen	4.36	2.04	2.39	2.29	1.92	.88	1.13	1.43	1.31	.37	1.74	.98
London	2.89	1.59	1.71	1.63	2.16	.57	.77	.81	1.02	.29	1.35	.61
Mexico City	1.45	1.30	1.41	3.19	1.63	.90	.81	1.96	3.41	.30	1.31	.33
Ottawa	2.19	1.07	2.08	2.39	1.64	.98	.89	1.06	1.63	.56	1.58	.64
Paris	3.01	1.73	(¹)	3.11	1.92	1.02	1.32	1.68	1.66	.35	1.31	.55
Rome	3.33	2.33	2.33	2.49	2.12	.86	1.23	1.90	1.63	.35	1.01	.53
Stockholm	5.08	2.69	2.35	2.74	2.79	1.18	1.31	1.39	1.75	.32	² 4.13	1.25
The Hague	3.39	2.20	2.04	2.20	3.15	.72	.97	1.36	1.69	.32	.85	.68
Tokyo	13.75	4.24	2.97	4.34	3.55	.95	.85	1.99	2.01	.69	1.50	.94
Washington	2.19	1.29	2.16	2.45	1.92	.56	.92	1.33	2.20	.48	1.72	.49
Median	3.01	1.73	2.06	2.40	2.14	.88	.92	1.39	1.06	.35	1.35	.61

¹ Not available. ² Not commonly used for cooking.

TIME SPENT BY WORKERS TO EARN RETAIL VALUE OF FOOD PRODUCTS IN SELECTED WORLD CAPITALS, JANUARY 7, 1976
[Hours and minutes required to purchase 1 pound, except where other unit of measure is indicated]

City	Steak, sirloin, boneless	Roast, chuck, boneless	Pork chops	Pork roast	Ham, canned	Bacon, sliced, pkgd.	Broilers, whole	Eggs, dozen	Butter	Cheese: Edam, Gouda, or Cheddar	Milk, whole, quart	Oil, cooking, quart
Bonn	1:03	0:49	0:32	0:54	—	0:46	0:12	0:13	0:23	0:26	0:06	0:34
Brasilia	:34	:21	:58	1:38	1:28	1:56	:25	:28	1:04	1:02	:11	:59
Brussels	:57	:32	:28	:27	:41	:21	:16	:14	:25	:29	:07	:21
Buenos Aires	:11	:09	:09	—	—	—	:04	:06	:17	:28	:03	:06
Canberra	:24	:14	:24	:24	:44	:37	:17	:19	:16	:21	:08	:26
Copenhagen	:45	:21	:25	:27	:29	:25	:22	:11	:15	:16	:04	:21
London	1:08	:33	:34	:29	:31	:44	:14	:19	:15	:20	:05	:33
Mexico City	:53	:48	:58	1:16	2:14	1:11	:32	:38	1:17	2:07	:13	:59
Ottawa	:27	:15	:28	:32	:29	:26	:11	:11	:13	:19	:07	:19
Paris	1:20	:46	:53	1:01	1:23	:49	:26	:31	:43	:43	:09	:33
Rome	1:27	:53	:49	:54	1:08	:40	:28	:29	:47	:39	:10	:29
Stockholm	:56	:23	:28	:44	:38	:30	:17	:15	:16	:20	:04	:53
The Hague	:49	:27	:30	:36	:32	:46	:11	:14	:20	:22	:05	:14
Tokyo	6:25	1:58	1:10	1:10	1:40	1:31	:25	:21	:50	:41	:17	:39
Washington	:26	:18	:28	:23	:33	:25	:08	:09	:14	:25	:05	:21

¹ Calendar 1975 national average for production workers, calculated in local currencies.

ductions are attributable to postholiday decreases and do not reflect a trend.

In Brazil, fresh beef is now available and prices are up considerably—with Government approval.

Meat prices also are higher in London, where beef is in brisk demand following the post-Christmas slump in poultry buying.

In Tokyo, a 15 percent decline in beef prices probably reflects the effects of a Government campaign to reduce beef prices at retail by introducing sale days and increasing imports.

However, Japanese bacon and ham processors have increased their prices because of short supplies and higher import prices, and retail prices have increased.

Higher prices in London for butter

and cheese reflect the continuing effects of the latest devaluation of the green pound (used in calculating official U.K. agricultural prices relative to the EC unit of account).

Prices of domestic butter have risen on the London market far more than those of imported butter because of a scarcity that followed unusually low U.K. butter production in the second half of 1975.

IN STOCKHOLM, price controls over meat and dairy products (except cream) are scheduled to continue in 1976, but prices to consumers were increased moderately on January 1.

Cheese prices were higher in Brussels in January than in November—Cheddar up 7.5 percent and Gouda by 2.4 percent, although whole Dutch Gouda cheese prices dropped 4.3 percent.

Potatoes, which are of major importance in many national diets, have been added to the list of commodities included in the FAS price survey.

The relatively high price of potatoes in London is attributed to the drought-stricken 1975 U.K. crop.

Prices of fresh fruits and vegetables, with a few exceptions, followed seasonal trends. In Canberra, recent heavy rains reduced supplies of vegetables on wholesale markets and this shortage was reflected in sharply higher prices of potatoes and onions.

Fruit prices—especially those for apples—were somewhat higher in Canberra in January than in the earlier survey.

Some bread price increases were reported. The moderate price rise in London represents action taken by the Price Commission on December 1.

Availability, Quality Vary

Food prices are reported by U.S. Agricultural Attachés in 14 commercially important world capitals as of the first Wednesday of every other month. Prices are converted on the basis of actual exchange values on the date of the survey, and these conversions affect comparisons between time periods.

The objective of this report is to obtain representative prices in other countries of items normally purchased by U.S. consumers. However an exact comparison is not possible because the quality and availability of specific items vary greatly among countries. An attempt is made to maintain consistency in the items and outlets sampled, but these are not necessarily representative of those in the reporting countries.

Food price indexes are reported from official government sources.

The price of bread in Canberra was advanced by 1 Australian cent per 1.5-pound loaf, following an increase in the domestic wheat price.

The Government of the Netherlands has imposed minimum retail prices for bread, milk, and sugar.

A new data table that reflects actual working time spent by industrial employees in 15 countries to buy a unit of food is presented with this report.

Hourly wages were reported by U.S. Agricultural Attachés in local currencies for the month preceding the food survey, thus allowing time for reporting purchase of food subsequent to the earning period.

—SIDONIA R. DICOSTANZO, FAS

	Oranges, dozen	Bread, white, pkgd.	Rice	Sugar	Potatoes
0	0.95	0.56	0.69	0.26	0.14
1	.35	.40	.24	.12	.14
2	1.05	.28	.41	.28	.12
3	.82	.26	.20	.24	(¹)
4	1.52	.39	.30	.16	.28
5	1.24	.46	.44	.26	.18
6	1.71	.35	.37	.23	.20
7	.27	.31	.38	.08	.18
8	1.18	.32	.52	.26	.13
9	1.21	.80	.45	.26	.17
0	.95	.40	.33	.30	.15
1	1.42	.81	.60	.33	.20
2	.93	.26	.37	.26	.19
3	4.78	.41	.39	.37	(¹)
4	1.41	.48	.39	.25	.20
5	1.18	.40	.39	.26	.18

TALS¹

	Apples	Oranges, dozen	Bread, white, pkgd.	Rice	Sugar
in	Hr/min	Hr/min	Hr/min	Hr/min	Hr/min
5	0:08	0:41	0:09	0:11	0:05
3	:09	:19	:20	:11	:06
2	:06	:26	:04	:07	:04
2	:03	:08	:04	:03	:05
4	:04	:20	:06	:05	:03
5	:05	:20	:05	:05	:02
6	:08	:41	:05	:10	:07
6	:11	:19	:11	:16	:04
7	:07	:11	:06	:06	:04
7	:04	:55	:22	:13	:07
6	:09	:20	:11	:08	:08
3	:07	:19	:09	:06	:04
6	:02	:16	:03	:05	:04
6	:12	1:51	:10	:09	:10
3	:04	:14	:06	:05	:03

FOOD PRICE INDEX CHANGES IN SELECTED COUNTRIES

Country	Latest month	Index 1970=100	Percent change from		
			Prev. month	Three months	One year
Argentina	December	2,460.6	+25.5	+55.9	+348.9
Australia	November	163.5	+ .7	+ 3.1	+ 9.9
Belgium	December	151.8	+ 1.1	+ 4.0	+ 13.0
Brazil	December	316.5	+ 1.8	+ 5.5	+ 26.2
Canada	December	169.1	— .7	+ .4	+ 9.0
Denmark	November	164.7	+ 1.2	— 1.6	+ 6.3
France	November	164.9	+ .6	+ 2.6	+ 11.7
Germany	December	131.7	+ .6	+ .9	+ 5.0
Italy	November	178.7	+ .9	+ 2.9	+ 11.7
Japan	November	185.6	— 2.0	+ 4.0	+ 9.9
Mexico	November	206.3	+ .4	+ 1.2	+ 9.6
Netherlands	December	144.3	+ .3	+ 1.7	+ 7.0
Sweden	November	156.9	+ .3	+ 1.4	+ 12.7
United Kingdom	November	218.9	+ 2.3	+ 3.9	+ 25.0
United States	November	156.5	+ .5	+ 1.0	+ 7.2

Bulgaria Seeks Western Know-How To Spur Farming

By MILES J. LAMBERT

*Foreign Demand and Competition Division
Economic Research Service*

PRESSED by expensive energy and oil meal imports—alongside an agriculture not fulfilling its potential—Bulgaria is taking a hard look at Western technology and business acumen as a way to spark agricultural progress. Accordingly, cost cutting, efficiency, and profitability are being stressed these days, while officials express growing interest in inviting foreign firms, including U.S. firms, to participate in agricultural development projects.

Whether Bulgaria is willing to make such ventures worthwhile to Western firms is still not clear, however. Indications are that, like other Communist nations, it would stress payment in products, rather than foreign currency, and would want to have extensive control over any undertakings. Products that might be emphasized include livestock, tobacco, fruits, and vegetables, as well as the basic grains, whose erratic production record continues to crimp Bulgarian agricultural plans.

In addition to foreign expertise, Bulgaria is stressing expanded mechanization, organizational efforts, and regional specialization in an attempt to boost farm production and supply domestic and foreign demand. Essentially, these measures represent an attempt to raise productivity administratively. The alternative would be to resort to inflationary and ideologically less acceptable market incentives.

At the same time, Bulgaria will be stepping up taxation of farm profits, cutting back State investment in new fixed assets in agriculture, and taking other measures to spare funds that increasingly must go for imports.

These costly imports—pushed up by Government concessions to rising consumer demand at a time of soaring prices for energy and other raw materials—were already beginning to strain Bulgaria in 1974. That year, imports stood nearly \$450,000 above exports for Bulgaria's first trade deficit in 1971-75, even though the country was still re-

ceiving three-fourths of its energy imports from the USSR at low prices established in 1970.

(Also in 1974, while farm exports worth \$1.2 billion remained substantially above agricultural imports, the surplus was reduced to \$540 million from \$760 million in 1973.)

In 1975, Bulgaria began to really feel the impact of high world prices, as terms of trade with the Council for Economic Mutual Assistance (CEMA) countries¹ were changed. (See *Foreign Agriculture*, February 2, 1976). The new trade terms, effective January 1, 1975, were based on 1972-74 average world prices and apparently launched a new policy of annual price revisions based on average world prices for the preceding 5 years. For agriculture, this has meant rising import costs for fuel needed to operate farm vehicles, mechanized irrigation facilities, and the greenhouse industry.

As in other industries, agriculture's use of petroleum has been on the rise as mechanization has expanded. And mechanization is regarded as the only way around a labor shortage that permeates the entire economy. Consequently, the Government has been forced to pay successively higher subsidies on agricultural operating costs, contrary to its long-term goal of reducing such subsidies. Yet the country cannot afford to neglect agriculture, which accounts for almost a third of total Bulgarian exports.

THE GOVERNMENT has, however, begun paying closer attention to mechanization, in late 1974 putting all questions related to farm machinery imports, production, and distribution under the control of an Agricultural Equipment Committee.

At the same time, the Government is focusing on improved agricultural efficiency through innovations in farm

¹ Includes the USSR, Poland, East Germany, Romania, Czechoslovakia, and Bulgaria.



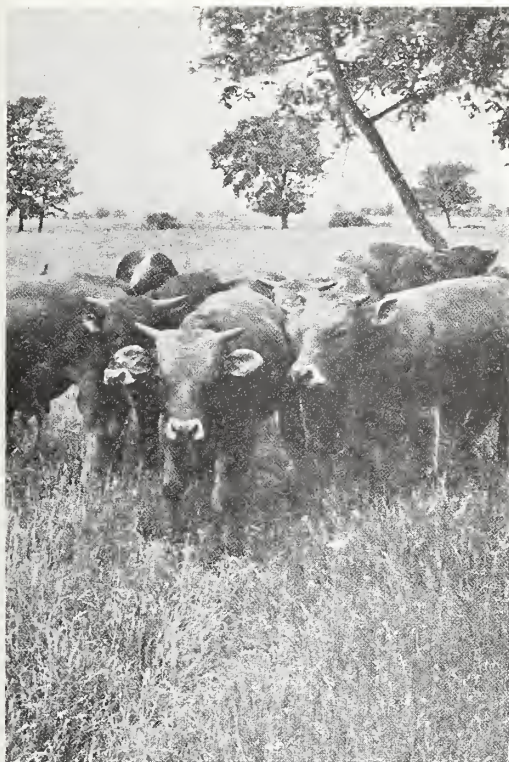
organization, often to be supported by foreign technology and expertise.

For instance, Bulgaria has an experimental project underway aimed at consolidating agriculture in the northeast county of Silistra. Silistra has some 176,000 hectares (1 hectare=2.471 acres) of arable land, which in 1974 supported 46,000 cattle, 98,000 hogs, 268,000 sheep, and 1.1 million poultry.

It also has one each of the two types of farm organizations predominating in Bulgaria: Agro-Industrial Complexes (AIC's), made up of cooperative and State farms gradually being melded into single administrative units; and Industrial-Agricultural Complexes (IAC's), vertically integrated farms presently limited to sugarbeet and fruit and vegetable industries (153 AIC's and 10 IAC's are in existence).

In Silistra, Bulgaria hopes to unite these two types of organizations under one management and has been looking for a foreign partner. After consideration of several firms the contract was awarded to a U.S. firm.

Officials apparently hope that direction by a foreign firm will help overcome some of the worrisome problems evident in feed-livestock production, around which the Silistra project centers. These problems include fluctuating production and profitability, as well as the need for heavy investment in new storage facilities, feed mills, livestock



Left to right: Spraying vineyards on a cooperative farm in north-central Bulgaria; cattle graze on a Bulgarian farm; and picking roses—for production of rose oil—in the famed Valley of Roses. The Bulgarian Government is especially interested in improving the productivity of livestock-grain enterprises, as well as those producing fruits, vegetables, tobacco, and other cash crops.

housing, and vast new irrigation facilities. Such investment is exactly the type of expenditure now under constraint in Bulgaria.

In return for investments, technology, and management services, the Bulgarians wish to pay their foreign partners principally in products.

THE Government also wants to move toward regional specialization in both feed crops and livestock. Under these plans, only cattle would continue to be raised throughout the country, with production methods geared to local conditions. Other livestock enterprises would be limited to the best-suited areas, where needed grains and oilseeds also can be produced.

One major aim of regionalization is to use more home-grown grain and oilseed meal in mixed feeds. This seems feasible for feedgrains in favorable years. However, for oilseed meals, rising demand may keep imports high even as the percentage of meal imported by Bulgaria declines.

Grain production continues to be harrassed by uncertain weather, with crop shortfalls sometimes forcing Bulgaria into the world market for feedgrains. In 1974/75, such imports soared to 665,000 tons—including 179,000 tons of U.S. corn—as Bulgaria moved to compensate for drought-reduced

feedgrain crops of 1973 and 1974.

Drought also reduced sunflowerseed crops in 1973 and 1974, cutting domestic protein meal output and limiting availability of sunflowerseed oil for export. At the same time, demand for soybean meal imports expanded in accord with growing demand for livestock feed ingredients. These developments pushed Bulgaria's 1973 oilseed and oilseed-product trade into the red, a very rare situation that probably continued in 1974 and again in 1975.

Bulgaria's 1975/76 harvest, on the other hand, was much improved. Bulgarian officials report that weather in 1975 was relatively favorable for crop development and that drought was no problem. Some areas experienced flooding along the Danube in July, but this was not very extensive since the Bulgarian bank of the Danube in general is significantly higher than the Romanian bank.

The 1975/76 wheat crop (important in poultry feeds in addition to its food value) is estimated at about 3.1 million tons, 200,000 tons above the 1974/75 level, while barley production was boosted by expanded acreage plus yield increases for the second year in a row. The 1975/76 sunflower crop, the main domestic source of protein meal, also was reportedly "very good," being harvested from 260,000 hectares, the same acreage as in 1974.

Firms wishing to take part in the feed-livestock sector will have to consider these fluctuating patterns of feed production and determine the State's willingness to compensate for domestic deficiencies.

In turn, market research will be necessary for foreign partners who accept partial payment in the form of livestock products for sale on third-country markets. Except perhaps for new developments in some processed dairy products, chances of expanding such sales do not appear good.

Currently, Bulgarian meat production is influenced largely by domestic needs. Little meat, except poultry, is supplied to the USSR. However, there is a chance that exports will grow during the 1976-80 plan period.

BEEF exports are discouraged by curbs on meat imports into the European Community—once a lucrative outlet for East European beef and cattle but since 1974 confronted with surplus problems of its own. There is, on the other hand, a ready market for live lamb and mutton in the Mideast, which Bulgaria has traditionally supplied, and sheep raising, unlike hog and poultry production, is still a rather backward industry.

More dynamic export possibilities are offered by intensive crops such as tobacco, fruits, and vegetables that lend

themselves to processing into value-added products. Investment in such industries would enhance possibilities of being paid in cash, rather than products, and would benefit from the already well-established and relatively stable foreign markets.

Bulgaria's agricultural exports to CEMA countries, for instance, have long centered around fruits, vegetables, wines, and cigarettes, and this role has been recognized in plans to integrate production within CEMA. Intensive crops (including rose oil) also provide lucrative earnings in non-CEMA markets, although other exports like grain (in favorable years), sunflowerseed oil, lamb, and cheese dominate the non-CEMA trade.

The increased cost of raw materials from the USSR could also call forth larger shipments of intensively produced farm goods to the Soviets, cutting availability of goods for hard-currency exports. The Bulgarians hope to avoid the latter eventuality, however, because of their pressing need for hard currency.

ANOTHER plus factor for intensive crops is their likelihood of being included in further extension of the IAC form of farm organization. (While truly innovative projects like Silistra are further in the future and will depend on the success achieved there, new IAC enterprises can be formed virtually at any time.)

The IAC's offer several potential advantages for investors who can enter existing ones or encourage the formation of new ones. Compared to most AIC's, the smaller IAC's enjoy more unified planning and direction (meaning fewer administrative obstacles) and more concentrated capital investments. This concentration of effort also helps insulate the IAC from uncertainties dealt 5-year planning by the 1975 change in trade prices of the CEMA nations.

Another advantage to be considered is the improved access to Mideast and Asian markets now that the Suez Canal has been reopened and Greece has granted shipping privileges to Bulgaria at the ports of Salonika and Kavala. Plovdiv, Bulgaria's intensive crop capital, can contribute significantly to exports from the Greek ports once improvements in land transportation between the two countries, scheduled for 1976-80, are made.

Bulgaria Stresses Grains, Oilseeds

Caught between rising imports of oilseed meal—plus sporadic grain imports—and a widening trade deficit, Bulgaria is pushing expansion of its own crops with an eye toward eventual self-sufficiency. But progress in the foreseeable future appears likely to be slow, considering the uncertainty of Bulgarian weather and the growing needs of the country's booming mixed feed industry.

Between 1966 and 1974, for instance, Bulgaria's use of mixed feeds soared 125 percent to 2.3 million metric tons, for an average growth of about 11 percent annually. And the rate during 1972/74 accelerated to 14 percent—including a whopping 25 percent between 1973 and 1974 alone—from 10 percent in the earlier years.

Domestic crops, on the other hand, have traced an erratic course, reflecting the country's susceptibility to drought. Production of corn climbed 35 percent to 2.97 million tons between 1966 and 1972, only to be reduced 44 percent between 1972 and 1974 as a result of severe droughts. Similar results occurred for sunflowerseed—the dominant oilseed crop.

Little wonder that Bulgaria has found itself in the market for imported grains and oilseed meals recently, including 176,000 tons of corn and 28,000 tons of soybean meal from the United States in 1975.

Although Bulgaria in normal years is a grain exporter, its soybean imports have increased steadily in the 1970's, from 62,000 tons in 1970 to an estimated 160,000 tons in 1974, a 2½-fold gain. Purchases probably rose again in 1975.

Setting the stage for further expansion in demand for mixed feed and feed ingredients was a new law enacted in late 1974 allowing farmers to hold an unlimited number of livestock on their private plots. This lifting of previous restrictions caused recorded hog numbers of private plots to jump 21 percent between July 1974 and July 1975.

In response to this strong demand, Bulgaria has programed ambitious crop goals into its 1976-80 Five Year Plan, with total grain output targeted at 11 million tons for 1980, compared with 8 million estimated for 1975.

Barley, the major grain ingredient in hog feeds, is to play a major role in the feedgrain expansion. This is partly because of the unsuitability of corn in most of southern Bulgaria, especially on unirrigated land, plus the development of new strains of barley that have boosted yields, even during the 1974 drought. In addition, barley cultivation requires less farm labor than corn.

On the other hand, corn, the principal ingredient in feeding out beef cattle—will claim more of the irrigated acreage in future years, while barley's share of irrigated land will fall. In 1980, 46 percent of corn acreage is to be irrigated, compared with about 30 percent at present.

Soybeans also are slated to become a major crop during 1976-80 to help reduce soaring imports of soybean meal. Bulgarian soybean area is to rise from the 31,000 hectares of 1975—the first significant plantings—to 60,000 in 1976 and 83,000 by 1980. The soybean expansion will be at the expense of barley, wheat, and sunflowerseed.

Soybeans also are slated to become a major crop during 1976-80 to help periments currently underway with U.S. varieties will lead to high yields. Also, more irrigated acreage will be used for varieties that have a long vegetation period, so as to ensure their yields against the dry conditions often prevalent in mid- and late summer. By 1980, soybeans are to be grown only on irrigated land.

Even assuming a doubling of present soybean yields, production would fall short of Bulgarian soybean meal consumption. This is currently pegged at 230,000 tons for 1980, whereas domestic soybean meal production is seen reaching only 126,000 tons.

—MILES J. LAMBERT, ERS

TRADE BRIEFS

Markets

Iran's Cattle Imports Soar. *In its haste to become a modern livestock producer, Iran last year imported a record 8,000 head of cattle—mainly U.S. Holsteins—and is planning to purchase even more in 1976. Yet imports have been well below expectations and appear unlikely to reach Iran's 1976-80 import goal of 200,000 head. Boding well for 1976 trade is the recent opening of more reception centers and new dairy facilities, plus resolution of some worrisome transportation problems. Last year, 75 percent of Iran's cattle imports came from the United States.*

Competition

Indonesians Push Fruit, Vegetable Exports. *Indonesian fruits and vegetables, including such exotics as bark-grown mushrooms, are getting a foothold abroad, say trade members. Brightest markets are Hong Kong, where first quarter 1975 purchases were 500 percent over the 1974 period's, and Singapore.*

Spanish Citrus Promotion in U.K. *Using such jingles as "no pips, easy to peel," and "Satsumas, they're child's play," Spain hopes to entice more British consumers over to its Satsuma tangerines. The Spanish will spend up to £200,000 in the United Kingdom this year to boost Satsumas and other citrus and to promote the Spanish national brand, "Spania."*

Competitor Shows in Tokyo. *Last November was a busy month for U.S. competitors in Tokyo. Australia held two shows stressing tourism and food—a November 3-12 Australian Fair at the Sun Plaza Recreation Center, Tokyo, and an Australian Foods Fair at the Palace Hotel, November 16-30. Authentic Australian meals—with Australian wine—were available at both, at a cost of about \$8.40 and \$15, respectively. Foods available for sampling, and sale at discounts, included wine, sherry, beef, chocolate, nuts, and cheese. A French Wine and Food Festival, at Keio Plaza Hotel, Nov. 1-15, featured authentic French wines and cuisine, with sampling and discount sales of specialty products. A Danish Food Fair, held at Kinokuniya Supermarket, Aoyama, Nov. 6-19, featured processed meats, cheese, chocolate, confectioneries, cookies, canned milk, and frozen cakes.*

Trade Policy

Peru Assumes Another Import Role. *The Peruvian Government has assumed still further import responsibilities. Effective Jan. 1, 1976, it became the sole importer of beer, wines, liquors, brandy, all types of cheese, all canned meats, canned fruits and canned juices, all candies (incl. chocolate), cookies, and crackers.*

Market Development

U.S. Food Show in London. *"Food America '76" will be the theme of the U.S. Food Trade Show scheduled for March 9-11 at the new Cunard International Hotel, London. This restaurant, institutional, and industrial ingredient food-trade exhibit—aimed at reaching buyers of quality U.S. foods—will feature the products of 53 U.S. companies, 20 of them new to the British market. The product list includes U.S. almonds, poultry, fresh fruits and vegetables, soups and gravies, candies, processed potato products, olives, corn and soy products, and ice cream toppings. Seminars presented by individual participating companies will highlight the exhibit, which will occupy the entire three sections of the Cunard's Queen Mary Suite. The exhibit replaces U.S. participation in Hotelympia, at which food products have been promoted in past years.*

Portuguese Swine Seminar. *U.S. Feed Grains Council (USFGC), in cooperation with FAS, will sponsor a swine feeding seminar in Lisbon, Feb. 18-20, to acquaint Portuguese producers with modern methods of swine breeding, nutrition, management, sanitary control, and merchandising. Since suffering the ravages of African swine fever a few years ago, the Portuguese industry has been rapidly modernizing—in the process boosting demand for U.S. grains and soybeans.*

Philippine Wheat Team Members Announced. *Four officials of the Philippines National Grains Authority (NGA) will study U.S. wheat production and marketing next Sept. 7-27 as part of a U.S. wheat study team sponsored by Wheat Associates USA and FAS. The NGA has broad authority in Philippine use and procurement of grains, including licensing and regulating of flour mills, wholesalers, processors, and retailers.*

Bangladesh Grain Crops on Uptrend, But Imports Heavy

BANGLADESH'S GRAIN production has been on a slight uptrend in recent years but large imports of foodgrains are still needed to enable the Government to meet increased food distribution requirements.

To assist persons who live in rural areas and who have little or no purchasing power the Bangladesh Government—with the help of the World Food Program and a multinational consortium of countries—plans to undertake a new large Food-for-Work program, based mainly on imported wheat and blended foods. It is expected that in 1976¹ the project would use up to 100,000 tons of wheat and other food commodities, of which a portion will be supplied by the United States under P.L. 480, Title II.

Imports of wheat and rice in the last half of calendar 1975 from the United States, Canada, the European Community, Australia, and other suppliers were heavy, resulting in a long delay in unloading vessels and serious port congestion. Most of the vessels had been unloaded by the beginning of calendar 1976 and the bulk of the wheat transferred to silos. This—along with bagged rice—has filled most of the available storage space at the docks and in the countryside.

These arrivals—plus existing stocks—have assured sufficient grain for the ration system in the port areas but distribution up country has been hampered by transportation difficulties.

Production. Of Bangladesh's three major food sources—rice, wheat, and pulses—rice is the most important grain and a large aman rice crop—expected to substantially exceed 6 million tons—was harvested in November/December 1975. The monsoons have contributed favorably to the outlook for the boro rice crop that will be harvested in the spring of 1976.

Total rice output for 1976 is forecast at 12.3 million tons.

Rice production in 1975 was officially estimated at 11.4 million tons—about

360,000 tons less than that reported in 1974, although both years' crops were better than in 1973. Area for the 1975 crop has been officially set at about 24 million acres, compared with 24.2 million the year before. The official forecast for 1976 is for 25 million acres.

In early 1975, production of dry-season, short-stemmed aus rice (harvested in July/August) and the spring-harvested boro rice (harvested in April/May) increased, but the short-stemmed, rainy-season aman rice crop (largest of the three rice crops, which is harvested in November/December), declined, bringing about an overall reduction in the rice crop.

During 1975, the Government's paddy and rice procurement program reportedly acquired 140,000 tons (rice equivalent), mostly paddy. Of this total, about 127,000 tons was from the large aman crop, with another 13,000 tons coming from the boro crop. The total included rice surrendered by producers to the Government.

THIS IS THE FIRST time the Government has collected boro under its procurement program. Although total collections have not been as large as hoped for, the introduction of the rice procurement program 2 years ago was a significant step taken by the Bangladesh Government in its efforts to progressively reduce large food-grain imports, save scarce foreign exchange, and provide a measure of self-sufficiency.

Part of this effort will take place under the Ministry of Agriculture's 5-year wheat production plan as part of Bangladesh's Accelerated Cereal Production Program that got underway in 1974.

Although Bangladesh's wheat production is still small, the potential for future growth seems excellent. With India's West Bengal State as an example—where wheat production has increased rapidly—the Bangladesh Government plans to push wheat production in adjoining regions, with the use of high-yielding wheat varieties.

Wheat requires about one-fourth the water that rice does. However, it will be necessary for the Bengalees to utilize a

large number of low-lift pumps and shallow-tube wells to provide adequate water during the dry season when water levels in the rivers and canals are low.

But during the dry seasons there are large areas—especially in western Bangladesh—where relatively cool (winter season) nights make wheat production possible.

Bangladesh's production of wheat in 1975 is estimated at 115,000 tons from 331,440 acres, compared with 109,177 tons from 305,015 acres in 1974. The production forecast for 1976 is for 200,000 tons.

A survey by the Bangladesh Agricultural Research Council indicates Bangladesh has 3 million acres of land suitable for HYV wheat, use of which would not offset HYV boro rice acreage. Irrigation of the potential wheat acreage could be vital to increasing the output by 50-100 percent. Until now, rice has been grown wherever there is adequate water; where inadequate, land has been fallowed. Now, however, with the HYV wheat, fertilizer, and an increased number of low-lift pumps, larger quantities of wheat will probably be grown.

Production of pulses in 1975 is officially estimated at 228,421 tons, compared with 208,322 tons in 1974. Harvested acreage increased from 703,100 acres in 1974 to 774,488 acres in 1975. Output in 1976 is forecast at 215,000 tons.

Because pulses are grown in borders and in small plots throughout the year, production and acreage statistics are unreliable. Prices were record high in 1975, but this is not incentive enough to boost pulse production in 1976. Demand has consistently outpaced production.

Trade. Although Bangladesh's rice production was high in 1975, this grain is generally not available to the Government for its large food distribution program at Fair Price Shops. Bangladesh has had to rely on imported wheat and rice to meet consumption demand in the range of 2 million tons annually.

In 1975, Bangladesh imported 2,057,000 tons of wheat and 239,000 tons of rice. The United States was the largest supplier, with 442,000 tons of wheat and 165,000 tons of rice. Other sources of wheat imports in 1975 were: Canada, 288,000 tons; the European Community, 246,000; Australia, 212,000; and other suppliers, 487,000. The United States

¹ Unless otherwise indicated, all years are U.S. fiscal years, ending June 30. All tons are metric.



Bangladesh farmer, top, puddles his rice field after irrigating it from nearby canal. Mother and children, left, formerly lived on a farm but have moved to a nearby Bangladesh city to try to improve their lot. (FAO photos.)

also supplied some of the wheat under commercial purchases that fell in the "other" category in Bangladesh import data, bringing the U.S. grand total to 737,000 tons.

The U.S.-Bangladesh P.L. 480, Title I agreement, signed on October 4, 1974, and subsequently amended, provided long-term dollar financing for the purchase during 1975 of 550,000 metric tons of wheat, 340,000 metric tons of rice, and 7,100 metric tons of vegetable oil, with an export market value of \$239.3 million. Of these amounts, about 51,000 tons of wheat and about 119,000 tons of rice were shipped to Bangladesh in the first part of 1976.

For 1976, the Bangladesh Government has requested P.L. 480, Title I,

financing for 800,000 tons of wheat and 200,000 tons of rice. At the Bangladesh Consortium meeting held in Paris, France, in June 1975, the United States Government conditionally pledged \$160 million of food commodities for supply in 1976. The first increase in the pledge was implemented with the signing of a 1976 P.L. 480, Title I, agreement with the Government of Bangladesh on September 11, 1975.

It provides about 300,000 metric tons of wheat, 100,000 metric tons of rice, and 15,000 metric tons of soybean/cottonseed oil, with a total export market value of \$90.7 million to be supplied in 1976.

The Agreement also provides for the Government of Bangladesh to carry out

a number of self-help measures. It pledged to strengthen agricultural production by increasing supplies of fertilizer, improved HYV seeds, and water; to improve the domestic pricing structure and distribution and marketing systems for food commodities; and to increase Government procurement prices and purchases of domestically produced agricultural commodities. It also agreed to expand the farm infrastructure and rural works programs; to improve storage and handling facilities for inland and port areas; and to strengthen agricultural extension and rural institutions to help modernize farming in Bangladesh.

—Based on report from
*Office of U.S. Agricultural Attaché,
Dacca*



First Class

If you no longer wish to receive this publication, please check here ☐ and return this sheet, or addressed portion of envelope in which publication was mailed.

If your address should be changed ☐ PRINT or TYPE the new address, including ZIP CODE, and return the whole sheet to:

Foreign Agricultural Service, Rm. 5918
U.S. Department of Agriculture
Washington, D.C. 20250

FOREIGN AGRICULTURE

United States Imports More Cut Flowers

THE COLORFUL cut flowers displayed by U.S. florists, supermarkets, and street vendors, once predominantly the products of local growers, today are more likely to be imported merchandise from the expanding flower industries of such distant countries as Colombia, the Netherlands, or even Australia.

Imported cut flowers in recent years have rapidly become an important factor in the U.S. cut-flower market. Ten years—even 5 years ago—the carnations, chrysanthemums, and pompons that brightened the tables of U.S. homes, hotels, and offices likely were grown in California, Florida, Pennsylvania, Colorado, New York, Ohio, or Massachusetts, but today these blooms probably sprouted into life from the soils of Colombia, Ecuador, or Mexico.

The value of cut flowers imported into the United States jumped from \$203,000 in 1965 to \$2.2 million in 1970, \$11.7 million in 1973, and nearly \$20 million in 1974. In calendar 1975, imports through November were valued at \$18 million, slightly more than the \$17.9 million value of the same period of 1974.

Not only have imports of cut flowers increased markedly in recent years, but the countries of origin have changed

drastically as new sources of supply nosed out older ones in importance. In 1965, the leading U.S. foreign suppliers of cut flowers and their shares of the U.S. imported cut flower market were Australia, 59 percent; Canada, 9 percent; Netherlands, 7 percent; Ecuador, 6 percent; and France, 5 percent.

In the late 1960's, a commercial cut-flower industry was developed in the plateau surrounding Bogota, Colombia. By 1970, U.S. imports of Colombian flowers exceeded those from all areas in 1965. Colombia became the largest foreign supplier to the United States in 1971, and has continued to dominate U.S. cut-flower imports.

In 1974, Colombia supplied 84 percent of the U.S. import total. Other supplier nations that shipped more cut flowers to the United States in 1974 than in 1965 are Ecuador, Guatemala, the Netherlands, Canada, and Australia.

Early in 1975, reports from Colombia indicated that freezing weather had damaged Colombia carnations and chrysanthemums, but actual imports from Colombia in the first 3 months of 1975 were 6 percent above those of a year earlier. Imports from Colombia continue above the 1974 level and totaled \$15.9 million through November, 6 percent greater than the value in the year-earlier period.

What varieties of cut flowers are most likely to be found in the displays of U.S. florists, supermarkets, and street vendors? Inspections made under the USDA Plant Protection and Quarantine Program indicate that the carnation is the most popular flower imported or grown in the United States.

In calendar 1974, carnation imports totaled 180 million stems—a level higher than the combined total of all other cut flower imports. Commercial 1974 sales of domestic carnations totaled 745 million blooms.

Inspections of other varieties indicate imports of pompons at 64.3 million stems; chrysanthemums, 25.9 million; daisies, 19.4 million; roses, 3.6 million; tulips, 1.9 million; and orchids, 1.1 million.

Commercial domestic sales of some of these items were pompons, 37.9 million bunches; chrysanthemums, 144 million blooms, and roses, 442.6 million blooms. Hawaii reported \$645,000 worth of orchids sold out of state in 1973.

Import inspections indicate that carnations have had the largest growth of all imports in recent years, increasing by 146.7 million stems since 1971. Other varieties recording substantial increases are pompons, daisies, and chrysanthemums. U.S. production of these flowers did not increase appreciably in the same period.

The United States has a small export flower trade that had a total value of \$2.6 million in 1974. These sales have fluctuated widely, but the growth trendline is up. Canada is the major market for these exports, accounting for 57 percent of the 1974 total. Other markets include Italy, Japan, Bermuda, Sweden, Bahamas, and West Germany. U.S. exports of cut flowers were valued at \$3.6 million in the first 11 months of 1975, compared with \$2.3 million in the corresponding period of 1974.

—HENRY O. WAGLEY, FAS